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OLL/LD INCOMING / / FRP: ,2,3, , , ,8 PRIORITY STATE 25X1 St. B. -0312 84 3152303 PAGE 001 NC 3152303 TOR: 191755Z JAN 84 25X1 PP RUEATIB ZNY CCCCC ZOC STATE ZZH STU1547 PP RUEHC DE RUDKDA #0378/01 0191445 ZNY CCCCC ZZH P R 191412Z JAN 84 FM AMEMBASSY BUDAPEST TO RUEHC/SECSTATE WASHDC PRIDRITY 5063 INFO RUDKRB/AMEMBASSY BELGRADE 4940 RUFHEB/AMEMBASSY BERLIN 2692 RUFHOL/AMEMBASSY BONN 3185 25X1 RUEHBS/AMEMBASSY BRUSSELS 0659 RUDKAR/AMEMBASSY BUCHAREST 5864 RUEHLD/AMEMBASSY LONDON 2077 RUEHMO/AMEMBASSY MOSCOW 5345 RUFHMU/AMCONSUL MUNICH 3552 RUDKRP/AMEMBASSY PRAGUE 5572 RUDKSA/AMEMBASSY SOFIA 4912 RUDKFMQ/AMEMBASSY STOCKHOLM 0354 RUEHVI/AMEMBASSY VIENNA 6912 RUDKRW/AMEMBASSY WARSAW 5599 RUFHGV/USMISSION GENEVA 6179 RUFHNA/USMISSION USNATO 2212 BT CONFIDENTIAL BUDAPEST 0378 GENEVA FOR USDEL INF AND START; STOCKHOLM ALSO FOR USDEL CDE; LONDON ALSO FOR CODEL HATFIELD E.O. 12356: DECL: OADR TAGS: PREL, PARM, HU, US, UR, XG, XH SUBJECT: HANGARIAN REACTION TO PRESIDENT'S SPEECH ON SOVIET RELATIONS 1. (C) -- ENTIRE TEXT. SUMMARY: HUNGARIAN OFFICIALS HAVE IN PRIVATE WELCOMED THE MODERATE TONE OF THE PRESIDENT'S SPEECH ON U.S. -SOVIET RELATIONS WHILE CAUTIONING THAT MORE THAN WORDS ARE NEEDED AND THAT THE SOVIETS ARE UNLIKELY TO RESPOND POSITIVELY UNLESS THE U.S. MAKES SOME SPECIFIC PROPOSALS. GYULA HORN, THE HEAD OF THE PARTY CENTRAL COMMITTEE'S INTERNATIONAL

BEEN COMPLETED THIS YEAR. HE IMPLIED THAT THIS WAS PERSONAL, OR AT LEAST ONLY HUNGARIAN, THINKING ABOUT AN INITIATIVE THAT MIGHT DRAW THE SOVIETS BACK TO GENEVA AND INTO A MORE CONSTRUCTIVE RELATIONSHIP WITH THE U.S. END SUMMARY.

DEPARTMENT, PROBED DURING A CONVERSATION WITH VISITING SENATOR EAGLETON ABOUT THE POSSIBILITY OF A UNILATERAL MORATORIUM ON NATO INF DEPLOYMENT, TO BE ANNOUNCED AFTER SOME UNDEFINED SYMBOLIC PORTION OF THAT DEPLOYMENT HAD, IN EFFECT,

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3. AS CAN BE EXPECTED, INITIAL PUBLIC REACTION TO THE PRESIDENT'S JANUARY 16 SPEECH HAS BEEN RESERVED BORDERING ON CRITICAL. MOST NEWS STORIES HAVE REPORTED THE SPEECH FACTUALLY BUT INCLUDED HEAVY DOSES OF MOSCOW COMMENTARY AND REACTION FROM SKEPTICAL AMERICAN POLITICIANS AND EDITORIAL WRITERS. PRIVATE COMMENTS EXPRESSED TO VISITING SEMATORS HATFIELD AND EAGLETON IN SEPARATE MEETINGS JANUARY 17 BY FOREIGN MINISTRY STATE SECRETARY JANOS NAGY AND GYULA HORN, NAGY'S COUNTERPART IN THE PARTY HIERARCHY, HOWEVER, INDICATED SOMEWHAT MORE INTEREST.

- 4. NAGY TOLD THE TWO SENATORS THAT HE CONSIDERED THE CHANGE IN THE PRESIDENT'S TONE "WORTHWHILE" BUT CAUTIONED THAT THE U.S. SHOULD NOT EXPECT THE SOVIETS TO RESPOND WITH "A BIG SMILE". THE SOVIET LEADERSHIP HAD BEEN WOUNDED BY EARLIER ADMINISTRATION RHETORIC, HE SAID, AND THIS COULD NOT BE QUICKLY UNDONE. MORE IMPORTANTLY, HOWEVER, THE SOVIETS REALIZED THAT WORDS THEMSELVES HAD LIMITED MEANING. THEY WOULD LIKELY WAIT FOR SOME TANGIBLE U.S. ACTION BEFORE THEY MADE A POSITIVE RESPONSE TO THE PRESIDENT'S INITIATIVE.
- 5. HORN, WHO MET LATER IN THE DAY WITH SENATOR EAGLETON (BOTH MEETINGS WERE ALSO ATTENDED BY THE AMBASSADOR AND THE POLITICAL OFFICER), HAD A HUNGARIAN TRANSLATION OF THE PRESIDENT'S SPEECH IN FRONT OF HIM AND REFERRED TO IT REPEATEDLY. HE ALSO WELCOMED THE DIFFERENCE IN TONE AS A USEFUL BEGINNING BUT SAID THAT HIS QUESTION WAS WHETHER IT WAS ADDRESSED PRIMARILY TO THE AMERICAN ELECTORATE, TO WESTERN EUROPEAN PUBLIC OPINION OR TO THE SOVIETS. HIS IMPRESSION, HE SAID, WAS THAT THE SOVIETS CONSTITUTED THE AUDIENCE TOWARD WHICH IT WAS LEAST DIRECTED.
- 6. HORN SAID THAT THE VITAL QUESTION WAS WHAT WOULD HAPPEN NEXT, THAT IS WHETHER ACTION WOULD GO WITH THE PRESIDENT'S WORDS. HE NOTED THAT THERE WERE NO SPECIFIC PROPOSALS IN THE PRESIDENT'S SPEECH. THE IMPRESSION HE HAD, THEREFORE, WAS THAT, TO THE EXTENT IT WAS DIRECTED AT THE SOVIETS, IT WAS AN INVITATION FOR THE SOVIETS TO BE THE FIRST TO DO SOMETHING. THE PROBLEM WITH THAT, HORN INDICATED, WAS THAT THE SOVIETS WERE IN THE WRONG PSYCHOLOGICAL FRAME OF MIND. IT WAS USEFUL TO SPEAK TO THEM MORE SOFTLY BUT THE RHETORIC LEVEL HAD BEEN SO HIGH FOR SO LONG THAT BY ITSELF THIS WAS PROBABLY OF LIMITED VALUE. IN THE MINDS OF SOME SOVIET LEADERS, HE INDICATED, THERE IS ALMOST THE THOUGHT THAT "IT IS 1941 AGAIN" (COMMENT: PRESUMABLY THE IMAGE IS THAT THE SOVIET UNION IS FACED BY A WELL-ARMED ENEMY THAT INTENDS TO DEFEAT IT MILITARILY, END COMMENT). THE SOVIETS SUFFERED A LOSS OF POLITICAL PRESTIGE WITH THE COMMENCEMENT OF NATO INF DEPLOYMENT AND THE BREAKDOWN OF THE GENEVA NEGOTIATIONS. IN THOSE CIRCUMSTANCES, HE SAID, IT WAS NOT REALISTIC TO EXPECT THE SOVIETS TO MAKE PROPOSALS THAT COULD APPEAR TO BE INDUCED BY WEAKNESS. EVEN IN THE PRESIDENT'S NEW SPEECH, HORN CLAIMED, THERE WAS STILL SOME UNHELPFUL LANGUAGE THAT IMPLIED THE SOVIETS MIGHT BE "VORCED" INTO SOMETHING.

GENEVA FOR USDEL INF AND START; STOCKHOLM ALSO FOR USDEL CDE, LONDON ALSO FOR CODEL HATFIELD

7. HORN SPENT A GOOD DEAL OF THE MEETING PROBING EAGLETON FOR AN ANALYSIS OF THE DOMESTIC U.S. POLITICAL CLIMATE, IN PARTICULAR WHETHER THE PEACE AND NUCLEAR FREEZE ISSUES WERE LIKELY TO LEAD THE PRESIDENT TO THE CONCLUSION THAT HE SHOULD TAKE NEW INITIATIVES WITH THE SOVIETS. STARTING FROM THE FACT THAT THERE ARE NO CONCRETE PROPOSALS IN THE SPEECH, HORN SAID, ONE COULD CONCLUDE THAT 1984 WILL BE A LOST YEAR. WHAT THE HUNGARIANS WANTED TO KNOW WAS WHETHER THE PRESIDENT WOULD IN FACT DO SOMETHING THAT MIGHT BRING THE U.S. AND THE SOVIETS BACK TO THE NEGOTIATING TABLE IN 1984.

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8. WAS THERE ANY POSSIBILITY, HORN ASKED, THAT THE PRESIDENT WOULD OFFER A UNILATERAL FREEZE OF WESTERN INF DEPLOYMENT AS OF A CERTAIN DATE IN 1984? "THIS WOULD MEAN AN ENORMOUS LOT," HORN SAID. RESPONDING TO THE AMBASSADOR'S QUERY, HORN EXPANDED HIS QUESTION TO SAY THAT IF THE PRESIDENT PROPOSED TO STOP WESTERN DEPLOYMENT AT A CERTAIN POINT AS A MEANS OF RESUMING THE NEGOTIATIONS, IT WOULD BE OBVIOUS THAT THE U.S. WOULD HAVE THE RIGHT TO EXPECT THAT THE SOVIETS WOULD FREEZE THEIR OWN MISSILE DEPLOYMENT, INCLUDING THE STATIONING OF NEW MISSILES IN THE GOR AND CZECHOSLOVAKIA. A ONE-SIDED MORATORIUM WOULD, HE SAID, BE A NON-STARTER.

- 9. SENATOR EAGLETON DID NOT ANSWER THE QUESTION DIRECTLY BUT EXPLAINED THAT HE BELIEVED THE PRESIDENT WAS MOVING TOWARD THE CENTER BECAUSE HE REALIZED THAT HIS DEMOCRATIC OPPONENT WOULD SURELY CRITICIZE HIM ON THE STATE OF U.S.-SOVIET RELATIONS. HE SAID THAT HE PERSONALLY BELIEVED THAT THE PRESIDENT COULD "DO THE RIGHT THING AND ASSURE HIS RE-ELECTION BY ACCLAMATION" IF HE REOPENED THE GENEVA TALKS, PUT THE SO-CALLED NITZE WALK-IN-THE-WOODS PROPOSAL FORWARD, AND AT THE SAME TIME FROZE DEPLOYMENT OF THE PERSHING-2 WHILE CONTINUING WITH DEPLOYMENT OF THE CRUISE, A DISTINCTION BETWEEN THE TWO SYSTEMS WHICH, HE SAID, WAS INCLUDED IN THE WALK-IN-THE-WOODS PROPOSAL.
- 10. COMMENT: THERE IS A SELF-SERVING, OR AT LEAST LOYAL ALLIANCE SERVING, ASPECT IN THE HUNGARIAN LINE THAT IT IS THE U.S., NOT THE SOVIETS, WHO MUST BE EXPECTED TO TAKE HIM FIRST CONCRETE STEPS TOWARD LOWERING THE LEVEL OF CONFRONTATION. HORN AND NAGY WERE PROBABLY SINCERE, HOWEVER, IN EXPRESSING THE HOPE THAT THE PRESIDENT'S SPEECH WILL BE FOLLOWED BY SOME CONCRETE DEEDS OR AT LEAST PROPOSALS. WE ARE TOO FAR REMOVED FROM THE SITUATION TO KNOW WHETHER THE IDEA HORN FLOATED CONTAINS ANY NEW NUANCES. HORN CLEARLY WAS REFERRING TO A U.S. MORATORIUM WHICH, BECAUSE IT WOULD TAKE EFFECT ONLY AT SOME POINT IN THE FUTURE, WOULD INVOLVE DE FACTO ACCEPTANCE BY THE SOVIETS OF AT LEAST A CERTAIN LEVEL OF NATO DEPLOYMENT. HE WAS CAREFUL TO CAVEAT HIS COMMENTS WITH THE STATEMENT THAT WHILE WARSAW PACT MEMBERS ALL AGREE WITH THE FUNDAMENTAL LINES OF SOVIET POLICY THERE ARE DIFFERENCES OF VIEWS ON THE BEST WAY OUT OF THE PRESENT DIFFICULT SITUATION. HE IMPLIED THAT HIS IDEA WAS EITHER PERSONAL, OR AT LEAST NO MORE THAN HUNGARIAN BRAINSTORMING WHICH MAY OR MAY NOT HAVE BCKING IN MOSCOW. HE SAID NOTHING, HOWEVER, TO SUGGEST THAT AT LEAST IN HUNGARY THERE IS ANY SERIOUS BELIEF THAT THE PUBLIC SOVIET CONDITION FOR A RETURN TO THE GENEVA NEGOTIATIONS, A REVERSION TO THE STATUS QUO ANTE, IS REASON-

11. CODEL HATFIELD DEPARTED BUDAPEST BEFORE IT COULD REVIEW THIS CABLE.

SALGO

END OF MESSAGE

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